

Summary of Operating Budget Priorities for FY 2007-08:		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.:2	Title: Faculty and Staff initiative	0	204,491	0	0	\$204,491	3	0	0	3.00
Strategic Goal No. Referenced in Item C Above (<i>if applicable</i>): Activity Number & Name: 510 Instruction										
Priority No.: 3	Title: Pritchards Island		0	0	270,000	\$270,000		0	1	1.00
Strategic Goal No. Referenced in Item C Above (<i>if applicable</i>): Activity Number & Name: 510 Instruction										
TOTAL OF ALL PRIORITIES		\$ 0	\$706,665	\$ 0	\$125,000	\$976,665	3.00	0.00	1.00	4.00

E. Agency Recurring Base Appropriation:

State \$ **2,609,487**
Federal\$ **1,172,844**
Other \$ **12,229,220**

F. Efficiency Measures: **South Carolina Commission on Higher Education Performance Funding Rating for FY04-05:**

Achieves – 82% - 2.45 out of 3 (This is the last year that the South Carolina Commission on Higher Education provided this data.)

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.: 1	Project Name: South Campus Classroom Building Activity Number & Name: 515 Operations & Maintenance	Project No*:	\$6,327,728	0	0	\$6,327,728
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			\$6,327,728	\$ 0	\$ 0	\$ 6,327,728

* If applicable

H. Number of Proviso Changes: **None**

I. Signature/Agency Contacts/Telephone Numbers:

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(803) 777-7481

Leslie G. Brunelli
Budget Director
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II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

- A. Agency Section/Code/Name: **5KD/H36/USC Beaufort**
- B. Priority No. **_1_ of _3_**
- C.
 - (1) Title: **Continue Parity funding**
 - (2) Summary Description: **USC Beaufort received MRR/Parity appropriations in 2006/07. We would like this request to continue in 07/08 as recurring funding.**
 - (3) Strategic Goal/Action Plan (*if applicable*): **The mission of USC Beaufort is to educate the citizens of the State of South Carolina, USCB would like state support consistent with South Carolina peer institutions as related to our size. As we continue to build our new 4 year campus, adequate operating allocations will be needed to maintain our current academic infrastructure.**
- D. Budget Program Number and Name: **10010100 Education and General – Unrestricted**
- E. Agency Activity Number and Name: **510 Instruction**
- F. Detailed Justification for Funding

Justification for Funding Increase: **Continuation of the MRR/Parity funding for operations is a “must” priority for the USC Beaufort. These additional funds are a part of the achievement towards getting peer funding equity among the ten teaching universities. The funding received are an attempt to bring seven institutions with below average in state funding to a more consistent level. Funding per student and the state support as computed by the formula established by CHE had shown great disparity and substantial improvements were made with this additional funding. This funding, along with additional “other funded” FTE positions included in the budget, is primarily directed to new faculty positions and academic support services. USC Beaufort is currently 15% below the average of other institutions in South Carolina. Funding is needed to improve our academic offerings and thus continue to provide the citizens of South Carolina low tuition.**

The operational impact from not receiving the needed funding will directly impact the university’s mission. Employment of faculty and support service positions will be greatly reduced. Faculty salaries need to be addressed as well as our growing dependence of part-time faculty use in major instructional areas.

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service		411,618			\$ 411,618
(c) Employer Contributions		90,556			\$ 90,556
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$502,174	\$ 0	\$ 0	\$502,174
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 2,609,487
Federal	\$ 1,172,844
Other	\$11,727,045

(4) Is this priority associated with a Capital Budget Priority? **NO** If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					

(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 21.49
Federal .50
Other 116.35

Agency-wide Vacant FTEs as of July 31, 2006: 44.34

% Vacant 32.0515%

H. Other Comments:

The University of South Carolina system experienced the lowest tuition increase in several years, due largely to the support of the General Assembly by funding of the parity issue. If funding of higher education is reduced, the University's Board of Trustees as well as the governing boards of other institutions will be forced to consider a tuition increase to support operations.

A. Agency Section/Code/Name: **5KD/H36/USC Beaufort**

B. Priority No. 2 of 3

D. (1) Title: **Faculty and Staff Initiative**

(2) Summary Description: **USC Beaufort is committed to providing an academic rich environment. USCB needs to add faculty to meet enrollment growth.**

(3) Strategic Goal/Action Plan (*if applicable*): **The mission of USC Beaufort is to provide excellence in teaching.**

D. Budget Program Number and Name: **10010100 Education and General – Unrestricted**

E. Agency Activity Number and Name: **510 Instruction**

F. Detailed Justification for Funding

- (1) Justification for Funding Increase: **New teaching faculty will be employed to address additions in our expanded academic programs. Enrollment has increased 40 % in the past 6 years. As campus growth continues, the employment of part-time faculty is necessary, but must be limited to maintain standards for accreditation by SACS. South Carolina students make up 85% of the current enrollment at USC Beaufort and 33% of the enrollment are minority students. USCB will be welcoming 500 students in fall 2006. The development of the South Campus is attributed to our growing freshmen class and transfers. These students require special student support services integrated with classroom activities to insure successful transition throughout the programs. USCB has put in place many new initiatives to ensure greater retention of these new students.**

The classroom and campus environments are very important for student learning. USCB has taken the lead in development of interactive learning through technology. We firmly believe today's students demand access to technology to further their educational needs.

(2)

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		3			3
(b) Personal Service		168,903			168,903
(c) Employer Contributions		35,588			35,588
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0

Other Operating Expenses					\$ 0
Total	\$ 0	204,491	\$ 0	\$ 0	204,491
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State \$ **2,609,487**
Federal \$ **1,172,844**
Other \$ **11,727,045**

Is this priority associated with a Capital Budget Priority? **NO** If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

New faculty positions will be needed to meet current growth trends.

(2) Justification for New FTEs

- (a) Justification:
(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State	<u>21.49</u>
Federal	<u>.50</u>
Other	<u>116.35</u>

Agency-wide Vacant FTEs as of July 31, 2006: 44.34

% Vacant 32.05%

H. Other Comments:

The University of South Carolina strongly supports the South Carolina Commission on Higher Education's number one priority of increased investment in quality outcomes for higher education by increasing the recurring operating funds by \$45 million for all institutions. As institutions strive to meet the demands of a technologically driven society, recurring funding for operations will assist institutions in meeting these challenges and keep tuition increases to a minimum.

A. Agency Section/Code/Name: **5KD/H36/USC Beaufort**

B. Priority No. 3 of 3

C. (1) Title: **Pritchards Island**

(2) Summary Description: **USC Beaufort is committed to providing an academic rich environment. Recruitment of additional faculty is necessary to meet the increased enrollment.**

(3) Strategic Goal/Action Plan (*if applicable*): **Strengthen and Expand Academic Offerings.**

D. Budget Program Number and Name: **10010100 Education and General – Unrestricted**

E. Agency Activity Number and Name: **510 Instruction**

F. Detailed Justification for Funding

USC Beaufort has requested funds through the Below the Line Funding process. USC Beaufort received separate accreditation as a baccalaureate institution in the summer of 2004. As enrollment increases, the already thin resources of USCB are

stretched even further. As the South Carolina Commission on Higher Education MRR funding model demonstrates USC Beaufort has a very low percentage of higher education funding. The classroom and campus environments are very important for student learning. USCB has taken the lead in development of interactive learning through technology, use of natural resources and the ability to expand on our academic offering on the south campus to afford the students of USCB a rich academic environment.

(2)

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*				1	1.00
(b) Personal Service				125,000	\$125,000
(c) Employer Contributions				35,000	\$35,000
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses				110,000	\$110,000
Total	\$ 0	\$ 0	\$ 0	\$270,000	\$270,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 2,609,487
Federal	\$ 1,172,844
Other	\$11,727,045

(4) Is this priority associated with a Capital Budget Priority? **NO** If yes, state Capital Budget Priority Number and Project Name:

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification: **USCB's below the line funding requests includes a project for the Pritchard's Island program which will establish a learning laboratory on coastal ecology, beach re-nourishment, and the building of protective groins. USC Beaufort has been understaffed in comparison to other universities and the need to add positions is driven by its rapid growth in enrollment, programs and services. With the enrollment growth experienced at USCB, the anticipated population growth in this region and the change in role and mission as a baccalaureate campus, USC Beaufort needs additional faculty and staff.**

(b) Future Impact on Operating Expenses or Facility Requirements: **USC Beaufort campus's holdings at Pritchard's Island provide access to real-life laboratory settings for academic programs and research in coastal ecology and beach re-nourishment, future operating expenses will be generated through island tours and research.**

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State	<u>21.49</u>
Federal	<u>.50</u>
Other	<u>116.35</u>

Agency-wide Vacant FTEs as of July 31, 2006: 44.34

% Vacant 32.05%

H. Other Comments:

The University of South Carolina strongly supports the South Carolina Commission on Higher Education's number one priority of increased investment in quality outcomes for higher education by increasing the recurring operating funds by \$45 million for all institutions. As institutions strive to meet the demands of a technologically driven society, recurring funding for operations will assist institutions in meeting these challenges and keep tuition increases to a minimum.

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

- A. Agency Section/Code/Name: **5KD/H36/USC Beaufort**
- B. Priority No. **_1_ of _1_**
- C. Strategic Goal/Action Plan (*if applicable*): **Attracting a racially and culturally diverse student body of varying ages and experiences, the University of South Carolina Beaufort draws its students primarily from the South Carolina Lowcountry, with representation from other parts of the state, other states, and foreign countries.**
- D. Project Name and Number (*if applicable*): **USCB South Campus Classroom Building**
- E. Agency Activity Number and Name: **510 Instruction**
- F. Description of Priority: **USCB will construct a classroom building consisting of approximately 40,000 square feet. This facility will be adjacent to the Science and Technology Building on the USCB South Campus. The structure is needed to provide additional classroom space for a rapidly expanding student population. USCB has experienced a 40% enrollment growth during the past six (6) years. In August 2006, preliminary enrollment shows an incoming new student population to be more than 500, which is 20% higher than what we experienced in the fall of 2005. The site currently has 12 operational classrooms. The growth experienced so far, and the anticipated growth in the fastest growing region of South Carolina, highlights the need to expand academic facilities to meet the growing student population.**
- G. Detailed Justification for Funding
- (1) Justification for Funding Priority: **USCB South Campus has 12 operational classrooms that are continuously used from 8am – 9:30pm daily. Saturday courses have been scheduled to meet current demand. Class sizes are at capacity. Current projections within the next 3-5 years predict USCB expanding enrollment to 2000 students. With this anticipated growth, 12 additional classrooms will be needed as soon as possible. This project was included in the AMENDED 2005 CPIP and was listed as priority number one.**

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	6,327,728			6,327,728

* If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget? yes

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: 2007-2008 Will this fiscal year require a partial or full year's operating funds? full If a partial year's funds are required, what portion of the year does it cover?

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs				300,000	\$ 300,000
Total	\$ 0	\$ 0	\$ 0	\$300,000	\$300,000

I. Justification for First Full Year Additional Future Annual Operating Costs (*If Section H above represents a full year's operating funds, do not complete this section.*)

(1) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: **5KD/H36/UNIVERSITY OF SOUTH CAROLINA BEAUFORT**
- B. Agency Activity Number and Name:
- C. Explanation of Cost Savings Initiative: **For fiscal year 2007, the General Assembly took a significant step in funding higher education with the allocation of non-recurring funds to address parity issues as well as the funding provided for the recruitment of faculty at the research institutions. With these additional funds, the USC Board of Trustees held the FY2007 tuition increase to the lowest percentage increase in several years.**
- D. Estimate of Savings:

FY 2007-08 Cost Savings Estimates:	General	Federal	Other	Total
Personnel:				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services				\$ 0
Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
Total	\$ 52,190	\$ 0	\$ 0	\$52,190

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):
If the USC campuses are required to meet a “cost savings” of state appropriated funds in FY2008, a reduction in force plan will be developed and submitted to the South Carolina Office of Human Resources in compliance with regulations established by the

Budget and Control Board. The University’s Board of Trustees may consider other alternatives if a “cost savings” is implemented. The University of South Carolina system has met the challenges of increasing operating costs during a time of dwindling state funding by employing strategic cost savings and prioritization of activities.

F.

Summary of Cost Savings Initiatives for FY 2007-08:	FUNDING				FTEs			
	General	Federal	Other	Total	State	Fed.	Other	Total
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
TOTAL OF ALL INITIATIVES	\$ 52,190	\$ 0	\$ 0	\$ 52,190	0.00	0.00	0.00	0.00

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. Agency Section/Code/Name: **5KD/H36/UNIVERSITY OF SOUTH CAROLINA BEAUFORT**
- B. Agency Activity Number and Name:
- C. Explanation of Lowest Priority Status: **It is a difficult, if not impossible task to identify the lowest priority activities of the University of South Carolina's campuses since each activity directly supports the mission of teaching, research and public service. The activities reported in the Agency Activity Inventory are based on expenditure classifications established by the National Association of College and University Business Officers (NACUBO) and are standard across higher education. These classifications identify all critical and necessary components of an institutions mission and are not separable. As such, we feel all of our activities are critical to fulfilling the mission of our University.**
- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$0	\$ 0

E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):

F.

Summary of Priority Assessment of Activities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
TOTAL OF LOWEST PRIORITES	\$ 0	\$ 0	\$ 0	\$ 0	\$0	\$ 0	0.00